

PROVINCE OF SASKATCHEWAN



07-08

ANNUAL REPORT

SASKATCHEWAN PENSION
ANNUITY FUND

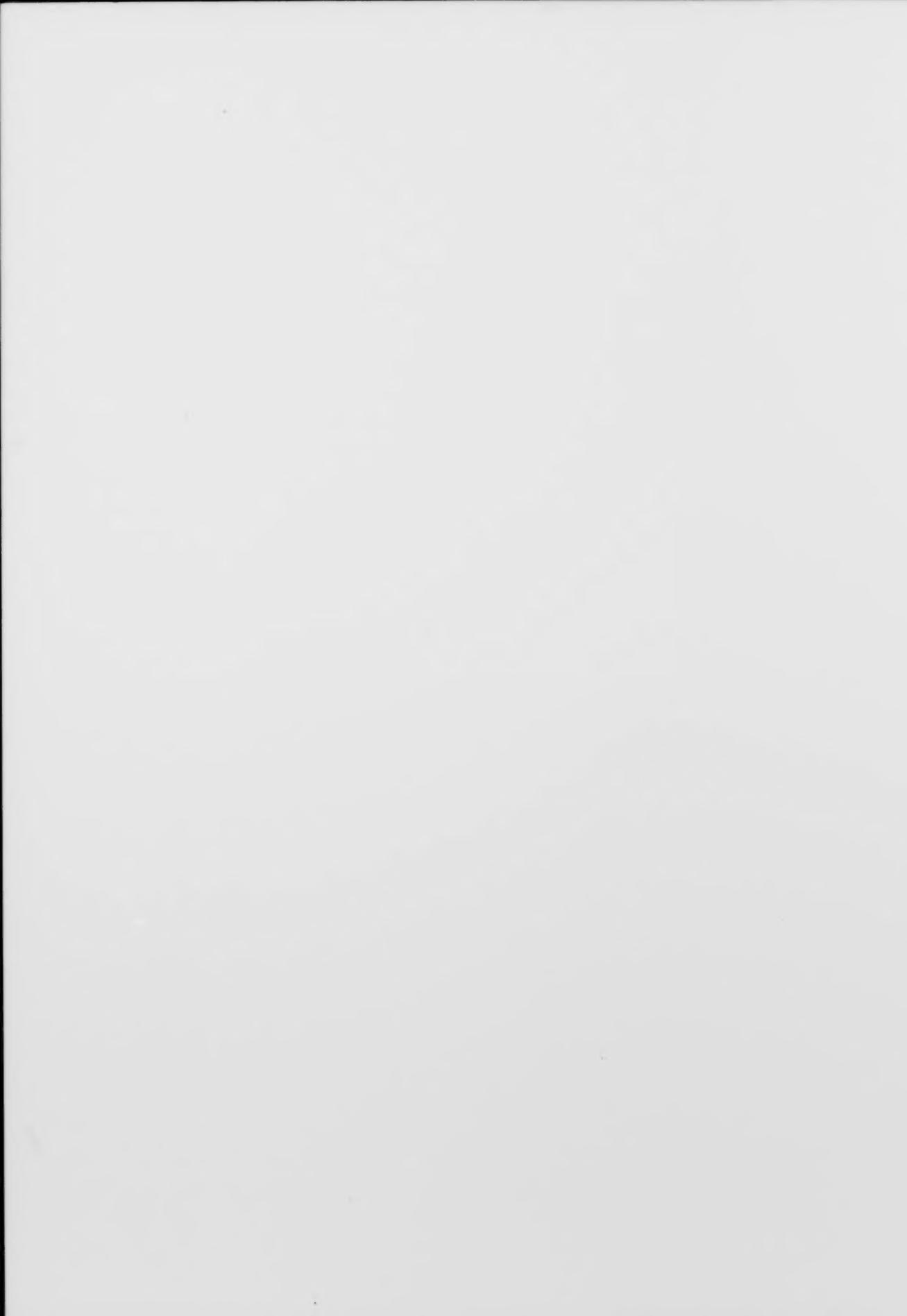


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This annual report is available in electronic format at www.peba.gov.sk.ca

Letter of Transmittal



His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Sir:

Letter of Transmittal

I have the honour to transmit herewith the Annual Report of the Saskatchewan Pension Annuity Fund for the fiscal year ending March 31, 2008.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in black ink, appearing to read "Rod Gantefoer".

Rod Gantefoer
Minister in Charge
Saskatchewan Pension Annuity Fund

Letter of Transmittal

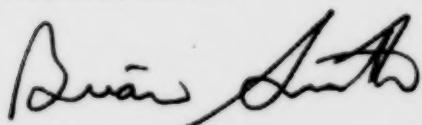
The Honourable Rod Gantefoer
Minister in Charge
Saskatchewan Pension Annuity Fund
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Saskatchewan Pension Annuity Fund Board, I have the honour to present herewith the Annual Report of the Saskatchewan Pension Annuity Fund for the fiscal year ending March 31, 2008.

Respectfully submitted,



Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Saskatchewan Pension Annuity Fund

Introduction

The Saskatchewan Pension Annuity Fund (SPAF) was created for members of the Public Employees Pension Plan who want to purchase an annuity as their source of retirement income. Members of the Public Employees Pension Plan are able to purchase annuities from the SPAF upon retirement. The *Saskatchewan Pension Annuity Fund Act* governs SPAF.

Effective April 1, 2005, The Saskatchewan Pension Annuity Fund Board was established to administer the Fund.

Saskatchewan Pension Annuity Fund Board

Chairperson

Brian Smith

Members

Clare Isman

Public Service Commission

Dennis Polowyk

Saskatchewan Finance

Investment of Funds

The Pension Annuity Fund Board is responsible for holding in trust and investing the monies in the Fund. The Pension Annuity Fund Board has retained Greystone Capital Management Inc. as its investment manager.

Greystone Capital Management Inc. continues to manage an immunized bond portfolio.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long term investment performance objectives set by the Board. It is these long term investment performance objectives that the Pension Annuity Fund Board uses to assess the performance of the investment managers.

The investment objectives are:

- to structure the investment portfolio so that the Annuity Fund's net assets are immune to changes in the level of interest rates;

- to provide sufficient liquidity to ensure payment to retired members when due; and
- to ensure long-run solvency.

To achieve the above objectives, the assets of the Fund should be invested so that:

- the duration of the investment portfolio is matched with the duration of the liabilities on an ongoing basis. The matching should fall within a band of -.5 to +.5 years of the duration target;
- the portfolio includes sufficient short term investments to meet liquidity needs; and
- the present value of the asset cash flow stream exceeds the present value of expected liability payments.

The Pension Annuity Fund Board has retained RBC Dexia Investor Services Ltd. as the custodian of the Fund. The custodian is responsible for custody of all financial assets of the Fund (in the name of the Saskatchewan Pension Annuity Fund). The custodian settles all investment transactions. The custodian also ensures that investment income (ie. dividends, interest) is collected and provides financial information for all investment transactions.

The Pension Annuity Fund Board engages the services of an asset consultant to provide advice on the overall management of the Fund's investments and on the measurement of the Fund's performance. Hewitt Associates provides this service to the Pension Board.

Annuities

The Saskatchewan Pension Annuity Fund paid a total of \$14,226,000 in annuities to 2,054 members, or spouses of members, from the Public Employees Pension Plan during the 2007/2008 fiscal year.

Administration of the Fund

The Pension Annuity Fund Board retains the Public Employees Benefits Agency, Saskatchewan Finance to provide the day-to-day administration of the Fund.

The annual operating expenditures associated with the Fund's administration are paid to the Public Employees Benefits Agency Revolving Fund and are charged to the Saskatchewan Pension Annuity Fund.

Management's Report

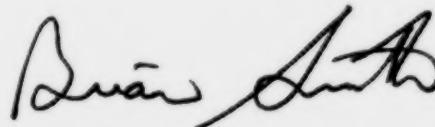
To the Members of the Legislative Assembly of Saskatchewan

The Saskatchewan Pension Annuity Fund Board consists of three appointments made by the Minister of Finance. The Pension Annuity Fund Board is comprised of a Chairman appointed by the Minister and two other members appointed by the Minister. The Pension Annuity Fund Board is responsible for financial administration, administration of the funds and management of assets.

The financial statements, which follow have been prepared by management in conformity with accounting principles generally accepted in Canada and have been approved by the Pension Annuity Fund Board. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Fund.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events, which require approval by management.

The financial statements have been audited by the Provincial Auditor whose report follows.



Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency



Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency



Kathy Deck
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
June 4, 2008

Actuary's Opinion

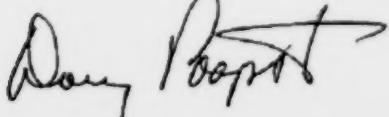
Eckler Ltd. was retained by the Public Employees Benefits Agency (PEBA) to perform an actuarial valuation of the accumulated provision for annuities payable from the Saskatchewan Pension Annuity Fund (Fund) on an accounting basis as at March 31, 2008.

The actuarial valuation of the Fund's accumulated provision for annuities payable was based on:

- Membership and asset data provided by the Public Employees Benefits Agency as at March 31, 2008;
- Assumptions about future demographic events which were developed by management and Eckler Ltd. and are considered as management's best estimate of these events; and
- A discount rate chosen to be consistent with the asset values reported in the Fund's financial statements.

While the actuarial assumptions used to estimate the accumulated provision for annuities payable for the Fund's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Fund's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Fund.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation. In our opinion the methods employed in the valuation and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuation has been performed in accordance with accepted actuarial practice.



A. Douglas Poapst, FSA, FCIA
Eckler Ltd.

June 4, 2008

Saskatchewan Pension Annuity Fund

Financial Statements

Year Ended March 31, 2008

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Pension Annuity Fund as at March 31, 2008 and the statements of operations and net assets (deficit), and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
June 4, 2008

Fred Wendel, CMA, CA
Provincial Auditor

**Saskatchewan Pension Annuity Fund
Statement of Financial Position**

Statement 1

As At March 31

| | (000's) | |
|--|-------------------------|-------------------------|
| | 2008 | 2007 |
| ASSETS | | |
| Investments (Note 3) | | |
| Short-term | \$ 1,125 | \$ 88 |
| Bonds and debentures | <u>171,764</u> | <u>151,071</u> |
| | <u>172,889</u> | <u>151,159</u> |
| Receivables | | |
| Accrued investment income | 2,287 | 2,236 |
| Transfer from designated plan | <u>2</u> | <u>398</u> |
| | <u>2,289</u> | <u>2,634</u> |
| Due from General Revenue Fund (Note 4) | 21 | 251 |
| Total Assets | <u>\$175,199</u> | <u>\$154,044</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Administration expenses payable | \$ 141 | \$ 63 |
| Accumulated provision for annuities payable (Note 5) | <u>176,547</u> | <u>151,367</u> |
| Total Liabilities | <u>176,688</u> | <u>151,430</u> |
| Net Assets (Deficit) (Statement 2) | <u>(1,489)</u> | <u>2,614</u> |
| Total Liabilities and Net Assets | <u>\$175,199</u> | <u>\$154,044</u> |

(See accompanying notes to the financial statements)

**Saskatchewan Pension Annuity Fund
Statement of Operations and Net Assets (Deficit)**

Statement 2

Year Ended March 31

| | (000's) | |
|--|----------------|----------------|
| | <u>2008</u> | <u>2007</u> |
| REVENUES | | |
| Transfers from designated plan | \$ 5,968 | \$ 6,545 |
| Investment income: | | |
| Interest | 7,915 | 7,764 |
| Net gains on sale of bonds | --- | 10 |
| Net amortization of bond premiums and discounts | --- | 1,377 |
| Increase in market value of investments | <u>2,870</u> | <u>---</u> |
| Total Increase in assets | <u>16,753</u> | <u>15,696</u> |
| EXPENSES | | |
| Change in accumulated provision for annuities payable (Note 5) | 5,479 | 619 |
| Annuities | <u>14,226</u> | 13,587 |
| Administration (Note 6) | <u>337</u> | 298 |
| Total decrease in assets | <u>20,042</u> | 14,504 |
| Net (decrease) increase in assets for the year | (3,289) | 1,192 |
| Net Assets, beginning of year | 2,614 | 1,422 |
| Decrease in net assets beginning of year for change in Accounting policy (Note 2) | <u>(814)</u> | <u>---</u> |
| (Deficit) Net Assets, end of year (Statement 1) | <u>\$1,489</u> | <u>\$2,614</u> |

(See accompanying notes to the financial statements)

**Saskatchewan Pension Annuity Fund
Statement of Cash Flows**

Statement 3

Year Ended March 31

| | (000's) | |
|---|---------------|---------------|
| | 2008 | 2007 |
| Cash flows from (used in) operating activities: | | |
| Transfers from designated plan | \$ 6,364 | \$ 6,457 |
| Interest income received | 7,861 | 7,707 |
| Annuities paid | (14,226) | (13,587) |
| Administration expenses paid | <u>(259)</u> | <u>(281)</u> |
| | <u>(260)</u> | <u>296</u> |
| Cash flows from (used in) investing activities: | | |
| Purchase of investments | (34,731) | (34,912) |
| Proceeds from disposal of investments | <u>34,761</u> | <u>34,290</u> |
| | <u>30</u> | <u>(622)</u> |
| Net decrease in Due from General Revenue Fund | (230) | (326) |
| Due from General Revenue Fund, beginning of year | 251 | 577 |
| Due from General Revenue Fund, end of year | \$ 21 | \$ 251 |

(See accompanying notes to the financial statements)

Saskatchewan Pension Annuity Fund Notes to the Financial Statements

March 31, 2008

1. Description of Plan

The Saskatchewan Pension Annuity Fund (Fund) is established under *The Saskatchewan Pension Annuity Fund Act* (Act). The Act establishes the Saskatchewan Pension Annuity Fund Board to administer the Fund. The day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

The purpose of the Fund is to provide annuities to members of designated pension plans. Currently, the only designated pension plan is the Public Employees Pension Plan. Members of a designated plan may, upon retirement, elect to receive an annuity from the Fund, as an alternative to purchasing an annuity from a private company that issues annuities. Those electing to receive an annuity from the Fund transfer their accumulated contributions and investment income from their designated plan to the Fund at the time of retirement.

Subsection 5(7) of the Act requires any amount by which the liabilities of the Annuity Fund exceed the assets of the Fund to be a charge on, and a payable out of, the General Revenue Fund. As the annuities payable are long-term liabilities, and management does not expect to require funding to meet their current obligations, the Fund has not recorded any amount as a receivable from the General Revenue Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Fund follows accounting policies recommended for organizations that issue annuities. The following accounting policies are considered significant:

a) Change in Accounting Policy

Effective April 1, 2007 the Fund adopted the accounting standards of The Canadian Institute of Chartered Accountants (CICA) Handbook section 3855 – Financial Instruments – Recognition and Measurement. This standard requires that all financial assets and financial liabilities must be identified and classified. The classification determines how each financial instrument is measured.

The standard is for recognition and measurement of financial assets and liabilities (financial instruments). How financial instruments are measured depends on whether they are classified as held-for-trading, available for sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as held-for-trading are measured at fair value with changes in fair value both realized and unrealized recognized in the statement of operations and net assets (deficit). Financial instruments classified as available for sale are measured at fair value with changes in fair value that are unrealized being recorded in other comprehensive income, these unrealized changes once realized will be recognized in the statement of operations. Financial instruments designated as held-to-maturity, loans and receivables or other financial liabilities are measured at amortized cost using the effective interest method.

Prior to April 1, 2007, the Fund recorded its short-term investments at cost and bonds and debentures at amortized cost and amortized premiums and discounts on the acquisition of bonds and debentures to earnings over the term to maturity.

The Fund has designated its investments, accrued investment income and due from General Revenue Fund as held-for-trading. The Fund has designated its administrative expenses payable as other liabilities. The accumulated provision for annuities payable is exempt from the accounting standard. The Fund has no financial instruments designated as available for sale, held-to-maturity or loans and receivables. The Fund has reviewed its investment holdings and contracts and has no derivatives. Derivatives are required to be treated as held-for-trading.

The new standard was applied as of April 1, 2007, and as required, without restatement of comparative figures. The effect of the adoption at April 1, 2007 was to increase the carrying value of investments from \$151,159,000 to \$170,046,000, an increase of \$18,887,000. The change in the valuation of investments impacts the determination of the discount rate for determining the accumulated provision for annuities. The discount rate changed from 6.10% to 4.71%, increasing the accumulated provision for annuities payable from \$151,367,000 to \$171,068,000, an increase of \$19,701,000. The net impact of these changes on net assets is to decrease it by \$814,000 at April 1, 2007.

b) Investments

Short-term investments, bonds and debentures are recorded at market values which are determined by reference to closing year-end bid prices from recognized security dealers or, in the absence of recorded sales, by reference to year-end closing ask and sale prices. These investments have been designated as held-for-trading. Interest, dividend and other investment income are recognized in the period earned. Transactions in bonds and short-term investments are recorded as of the trade date. Transaction costs related to the Fund's investments are expensed as incurred.

The change in the market value of investments appears on the statement of operations and net assets (deficit) as a separate item.

c) Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable represents the present value of the annuities underwritten and is determined pursuant to an annual actuarial valuation.

Any resulting change in the accumulated provision for annuities payable pursuant to the valuation is recognized in the statement of operations and net assets (deficit).

d) Recent Accounting Pronouncements

Effective April 1, 2008 the Fund will be required to adopt The Canadian Institute of Chartered Accountants Handbook Sections 3862 – Financial Instruments – Disclosures, and 3863 Financial Instruments – Presentation. Section 3862 provides standards for disclosure of the risks arising from financial instruments to which the Fund is exposed, and how the risks are managed by the Fund. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives. The Fund does not expect the adoption of these new standards to have a material impact on the financial statements.

3. Investments

The investment objectives include structuring the investment portfolio to limit the effect on the Fund arising from changes in the level of interest rates, providing sufficient liquidity for payments to annuitants when due, and ensuring long-term solvency.

The Fund holds investments in long-term bonds with durations approximating the estimated life expectancies of annuitants.

The projected cash inflows over the life of the Fund are expected to meet the cash outflows.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. Interest rate risk is managed by investing in fixed income investments that provide cash flows that match payments to annuitants.

The value of the Fund's assets is affected by changes in nominal interest rates.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Fund. The Annuity Fund Board limits the credit risk of the Fund by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard and Poor's and/or Moody's Investors Services.

Short-term Investments

Short-term investments are comprised of treasury bills and notes with effective rates of 1.90% - 3.70% (2007 - 4.20%) and an average remaining term to maturity of 33 days (2007 - 75 days). The Fund's investment policy states that investments must meet a minimum investment standard of "R1" as rated by a recognized credit rating service.

Bonds and Debentures

The Fund's investment policy states that government bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the par value of the bond portfolio may be invested in BBB rated bonds. At March 31, 2008, the Fund held 0.00% (2007 - 0.39%) of its portfolio in BBB bonds.

No more than 10% of the market value of the bond portfolio may be invested in corporate bonds. At March 31, 2008, the Fund held 2.50% (2007 - 2.56%) of the market value of bonds and debentures in corporate bonds. The minimum credit rating for corporate bonds is "A" or equivalent as rated by a recognized credit rating service.

| Years to Maturity | (000's) | | | | | | 2007 | | |
|-------------------|---------|------------|--------------|---------|--|-------------|--------------------|--|-------------|
| | 2008 | | Market Value | | Weighted Average Yield to Maturity at Market | Coupon Rate | Total Market Value | Weighted Average Yield to Maturity at Market | Coupon Rate |
| | Federal | Provincial | Corporate | Total | | | | | |
| Under 1 | 2,761 | --- | — | 2,761 | 2.28 | 0.00-0.00 | 2,562 | 4.10 | 0.00-6.50 |
| 1 - 5 | 13,393 | 7,340 | 2,656 | 23,389 | 3.11 | 0.00-10.00 | 23,163 | 4.03 | 0.00-10.00 |
| 5 - 10 | 11,089 | 28,398 | 852 | 40,339 | 3.72 | 0.00-11.25 | 39,626 | 4.23 | 0.00-11.25 |
| Over 10 | 29,951 | 74,538 | 786 | 105,275 | 4.34 | 0.00-10.50 | 104,807 | 4.48 | 0.00-10.50 |
| Market Value | 57,194 | 110,276 | 4,294 | 171,764 | | | 169,958 | | |

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

The Fund's investments are comprised of:

| | (000's) | | | |
|--|------------------|------------------|------------------|------------------|
| | 2008 | | 2007 | |
| | Cost | Market Value | Cost | Market Value |
| Bonds and Debentures | | | | |
| Province of Saskatchewan | \$ 1,433 | \$ 1,865 | \$ 2,018 | \$ 1,845 |
| Other Provincial | 86,379 | 108,411 | 109,469 | 102,973 |
| Corporate | 3,827 | 4,294 | 3,729 | 4,357 |
| Canada | 47,805 | 57,194 | 52,701 | 60,783 |
| Total bonds and debentures at cost/par value | 139,444 | 171,764 | 167,917 | 169,958 |
| Net unamortized discounts | — | — | (16,846) | — |
| Total bonds and debentures at cost | 139,444 | 171,764 | 151,071 | 169,958 |
| Short-term investments | 1,121 | 1,125 | 88 | 88 |
| Total investments | \$140,565 | \$172,889 | \$151,159 | \$170,046 |

Investments are recorded at market value which approximates fair value.

4. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund's bank accounts using the Government's thirty day borrowing rate and the Fund's bank account balance. The Government's average thirty day borrowing rate for 2008 is 4.08% (2007 – 4.15%).

5. Accumulated Provision for Annuities Payable

An actuarial valuation of the accumulated provision for annuities payable was performed as at March 31, 2008 and March 31, 2007 by Eckler Partners Ltd. The accumulated provision for annuities payable is the actuarial present value of the expected annuity benefit obligations to annuitants. The discount rate is based on the average yield to maturity on the Fund's assets, calculated at market value. The average yield to maturity on the Fund's assets at market value is 4.31%. The discount rate used for 2007 was 6.10% based on the average yield to maturity on the Fund's assets, calculated at amortized cost. On April 1, 2007, the change to average yield to maturity on the Fund's assets, calculated at market value used 4.71%.

The provision for annuities payable is based on a number of assumptions about future events including discount rate, inflation and mortality. For mortality, the 2008 and 2007 valuations used 95% of the Uninsured Pensioner 1994 Mortality Table.

The annual change in the annuities payable is reflected in the statement of operations and net assets (deficit). The principal components of change during the year were as follows:

| | (000's) | |
|--|------------------|------------------|
| | 2008 | 2007 |
| Accumulated provision for annuities payable, beginning of year | \$151,367 | \$150,748 |
| Increase in liability from change in accounting policy to market valuation | 19,701 | — |
| Interest on annuities payable | 7,674 | 8,775 |
| New annuities purchased in the year | 5,849 | 5,445 |
| Annuities paid | (14,226) | (13,587) |
| Change in estimated future administration costs | 288 | 157 |
| Data correction and experience gain | (270) | (295) |
| Change in assumed discount rate | 6,164 | 124 |
| Accumulated provision for annuities payable after adjustment | <u>\$176,547</u> | <u>\$151,367</u> |

Based on experience, an explicit allowance for expenses of 2.30% (2007 - 2.20%) of annuities is included in the accumulated provision for annuities payable. This allowance reflects the cost to administer current annuities that would continue into the future.

Actual results may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuities payable. A 1% increase in the discount rate would decrease the liability \$15.3 million (2007 - \$11.8 million) and a 1% decrease in the discount rate would increase the liability \$18.0 million (2007 - \$13.7 million).

The expected cash inflows from investment income and disposal of investments at maturity and the expected cash outflows to pay the annuities and administration expenses are calculated using the above assumptions. The expected net cash flows are based on actual dollar forecasts without any provision for inflation and they do not allow for future annuitants. The estimated net cash inflows/(outflows) for the next 5 years are (\$3.0 million), for the next 10 years \$0.8 million and for the next 30 years \$0.2 million. The expected duration for investments is 9.32 years and for the accumulated provision for annuities payable is 9.76 years.

6. Administration Expenses

| | (000's) | | | |
|--|--------------|--------------|--------------|--------------|
| | 2008 | | 2007 | |
| | Budget | Actual | Budget | Actual |
| Administration costs – PEBA | \$220 | \$201 | \$198 | \$161 |
| Custodial fees – RBC Dexia Investment Services Trust | 10 | 8 | 10 | 8 |
| Investment management fees - Greystone Capital Management Inc. | 133 | 128 | 132 | 129 |
| | <u>\$363</u> | <u>\$337</u> | <u>\$340</u> | <u>\$298</u> |

7. Related Party Transactions

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related since all are controlled by the Government. Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences. These financial statements include expenses associated with administering the Fund and are paid to the PEBA Revolving Fund. Related party transactions with the Fund are in the normal course of operations and are recorded at exchange amounts agreed to by the parties to the transactions.

The Fund holds \$1,865,434 (2007 - \$1,845,177) Province of Saskatchewan Bonds and Debentures with a yield of 3.38% (2007 – 4.21%). Investment income including change in market value of \$122,281 (2007 - \$140,094) was recorded from the Province of Saskatchewan Bonds and Debentures.

At year-end, the Fund has an accounts payable to the PEBA Revolving Fund of \$34,789 (2007 - \$733).

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.



